

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

CIVIL APPLICATION NO.2624 OF 2006.

IN

FIRST APPEAL NO. 1111 OF 2006.

M/s.Semi Steels, Kolhapur & anr. ... Applicants.

Versus.

State Bank of India and another. ... Respondents.

Shri N.V.Bandiwadekar for the Applicants.

Ms.Ashmita Mhatre i/by M/s.S.Ashwinikumar & Co. for the Respondents.

CORAM : ABHAY S.OKA, J.

DATED : 5th February, 2007.

P.C.:

1. Rule. Advocate for the 1st Respondent waives service. Taken up for hearing forthwith.

2. There is a money decree passed in favour of the 1st Respondent-Bank. As a normal rule, the Applicants are required to deposit the entire amount due and payable under the said decree as a condition for grant of stay.

3. My attention has been invited to the letter dated 14th December 2005. In the said letter sent by the 1st Respondent-Bank to the 1st Appellant, it is stated thus:

We have to advise that RBI has recently issued guidelines for compromise settlement of

non-performing asset of public sector banks. In this connection, we wish to advise you that your dues to the Bank are eligible for settlement under the RBI's guidelines on the following terms:

- i) Application to received before 31-03-2006 and settlement to be reached before 30-06-2006.
- ii) Minimum amount to be paid: Rs.6,41,541.76 (being the outstanding balance in your accounts as on the date categorised as Doubtful NPA).
- iii) Payment terms: in one lumpsum, upfront. Payment in instalments would also be considered on merits, subject to at least 25% of the amount of settlement being paid upfront and the balance amount of 75% being paid in instalments over a [period of 1 year together with interest at Bank's PLR from the date of settlement till date of final payment."

It is not in dispute between the parties that the entire amount as stated in the said letter of Rs.6,41,541.76

has been deposited by the Appellants with the 1st Respondent within time stipulated by the said letter. Now the 1st Respondent has taken up a stand that the Applicants are liable to pay interest at the rate of 15% per annum from the date of the suit till realisation of the whole amount. Prima-facie, it appears to me that the said claim made by the 1st Respondent-Bank will have to be gone into. In view of the said letter and in view of the fact that substantial amount has been paid by the Applicants to the 1st Respondent, stay deserves to be granted. However, the Bank has raised a claim of interest and therefore, the 1st Applicant cannot transfer its immoveable property without the permission of this Court.

4. Hence the Application is disposed of by the following order:

"Rule is made absolute in terms of prayer clause (a). The 1st Applicant is restrained from transferring or alienating its immoveable assets till final disposal of the Appeal without the prior permission of the Court."

Judge.